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23694 7590 09/20/2007 J. NICHOLAS GROSS, ATTORNEY 2030 ADDISON ST. SUITE 610 BERKELEY, CA 94704			EXAMINER RUHL, DENNIS WILLIAM	
			ART UNIT 3629	PAPER NUMBER
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

Application No.

10/771,049

Applicant(s)

GROSS, JOHN N.

Examiner

Dennis Ruhl

Art Unit

3629

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 09 August 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 2-18, 21-25 and 27-34 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☒ Claim(s) 2-7, 10-18, 21-25, 27-29 is/are allowed.
- 6) ☒ Claim(s) 8, 9 and 30-34 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☐ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application
- ☐ Other: \_\_\_\_\_

Art Unit: 3629

Applicant's response of 8/9/07 has been entered. The examiner address applicant's remarks regarding the prior art at the end of this office action.

With respect to the IDS of 8/9/07 and the submitted declaration filed under 37 CFR 1.132, it has been considered on the merits and is found to be non-persuasive and insufficient to show a public use of the *claimed invention* prior to the earliest date that the instant inventor/applicant is entitled to. The comments accompanying the IDS have been considered as well as applicant submitted Exhibits 1-4 that accompanied the IDS. The examiner finds the declaration to be insufficient to establish a showing of public use of the claimed invention. The 132 declaration alleges that as early as 12/16/2002 Netflix sent emails to customers informing them that their queue was empty. In support of this assertion Mr. Hunt included Exhibits 1,2 and 3 and stated they are evidence that supports his statements. Each exhibit is stated as showing a composition that was included in emails sent to actual customers. None of the exhibits have any dates. With no dates on the exhibits it cannot be accepted that they are in fact printed publications that were in the public prior to 12/16/2002. The lack of dates on the exhibits is a critical deficiency. The examiner also does not see any evidence that supports the assertion that any emails were sent to customers as alleged. The compositions that make up Exhibits 1-3 do not show an actual email that was in public use and there is no evidence to support the statement that thousands of emails were sent out that contained the compositions of Exhibits 1-3. The examiner notes that what Mr. Hunt has submitted is not an email and there is no evidence that shows the actual compositions of each exhibit were actually known in the public or used in the public domain. No evidence

Art Unit: 3629

shows any emails were sent to anyone. The statements applicant is making are not supported by sufficient evidence to be persuasive. The examiner questions where copies of the emails are if they were sent out to actual customers as alleged. The evidence does not support the statement that emails were sent that contained the composition shown in Exhibits 1-3 because there are no emails of evidence to consider. Turning to the exhibits themselves, there are some issues that the examiner feels puts the credibility of the Exhibits in question. For Exhibit 3, the Spider-Man movie was not released on DVD until November of 2002. This movie was not available at the end of June. The language in the exhibit that says that Spider-Man is arriving on or around June 27, 2002 is contradicted by the fact that this movie was not released on DVD until November of 2002. The examiner personally verified this information on the Internet by looking up the DVD release date for this movie. This discrepancy is not addressed by Mr. Hunt and there appears to be no explanation for this incorrect date. Also, the spelling is wrong for this movie. Netflix actually sent out emails that called it "Spinder-Man" instead of "Spider-Man"? This is hard to believe and has no reasonable explanation as far as the examiner can tell. Also, none of the movies listed in the New Releases portion of the Exhibit were even released yet. This inaccuracy concerns the examiner as well as the other issues with this Exhibit. Exhibit 1 also says that Spider-Man is arriving on or around June 27, 2002, which is contradicted by the fact that this movie was not released on DVD until November of 2002. The statement #8 of the declaration is not supported by any evidence in exhibits 1,2, or 3. Statement #9 discusses computer logic and states that the logic is also prior art. No evidence of any

Art Unit: 3629

logic being in the public domain has been provided so this statement is not supported by any evidence of record. With respect to statement #10 Mr. Hunt stated that Netflix stopped using notification messages after 2003 and is not presently using such messages. The instant applicant has provided copies of 3 emails that are dated from the years 2005, 2006, and 2007. The emails show that a sender ([info@netflix.com](mailto:info@netflix.com)) sent an email to a customer to inform them that their queue was empty. This suggests and calls into question the credibility of statement #10. There is evidence in the record in the form of emails that calls into question the credibility of statement number 10.

When considering a 132 declaration such as executed by Mr. Hunt, one must take into account any bias that the declarant may have. The examiner notes that although not a determining factor alone, it must be taken into account that the declarant is an employee of Netflix and that Netflix may benefit if the current application does not issue as a patent. There are obviously things happening between Netflix and the instant inventor that involve attorneys and legal matters that the examiner is not fully aware of.

Taking this potential bias into account, taking the issues outlined by the examiner for the exhibits into account (dates, spelling error), and taking into account that there is evidence in the record that directly contradicts statement number 10, the examiner finds the 132 declaration to be insufficient to show that the claimed invention (in any pending claim) was in public use before the invention by applicant as Mr. Hunt alleges. The examiner does not find that the evidence supports the allegation of prior public use by Netflix and does not find it persuasive that the submitted Exhibits 1-3 are in fact printed publications that were in the public domain.

Art Unit: 3629

With respect to the 131 declaration submitted by the applicant, because the 132 declaration does not provide evidence of prior public use or prior printed publications, the issue of swearing behind the date of 12/16/2002 is moot. The dates of the prior art used in the current rejections of record are behind the date alleged in the 131 declaration so it is not relevant at this point in time. In the event that the 131 declaration becomes relevant to the examination, it will then be commented on with regards to the merits.

1. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. Claims 8,9, are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claims 8,9, have been amended to recite that the recommendation system determines additional media items that are predicted to be more desirable that at least some of the other items in the rental queue. The examiner does not feel that this kind of recommendation system has enablement in the specification as originally filed. While the specification does provide support for what is claimed (i.e. this is not new matter), it

Art Unit: 3629

is not taught how this actual recommendation is performed. The examiner notes the following from the specification.

On page 14 of the specification with respect to the recommendation system it is stated:

"A variety of artificial intelligence, or preference determination systems are known in the art for predicting preferences for individuals."

It is then further stated that:

*"In the present system, an auto-recommend feature can be based, for example, on prior ratings given by a subscriber to certain movies which he/she has seen, and/or just based on the identify if all prior rentals. In this instance, the system uses prior ratings by default, as these tend to more accurately reflect a particular individual's tastes. However, the invention is by no means limited to any particular mechanism, and it will be understood that any suitable system can be employed for this purpose. The only criterion, of course, is that recommender should work in the background, seamlessly and without extensive burdensome participation by the subscriber so that the queue is automatically replenished.*

On page 19 when discussing the recommendation system it is stated:

"As noted below, recommender systems are well-known in the art, and the present invention can thus be used with any number of suitable implementations."

It is also stated on page 19:

Art Unit: 3629

*"When a triggering event is detected, the system then generates an auto-recommended title at step 435 for the particular subscriber using the subscriber's preference profile. A preliminary preference profile is obtained as noted above, and is supplemented later, of course, with additional feedback from the user and observation of user selections. A number of conventional and customized programs can be configured for performing this type of task; for example, Netflix uses a system identified as Cinematch for such purpose. Other alternatives are of course acceptable, and could be used with the present system to ensure a title that is likely to be of interest to the subscriber."*

Page 25 states:

*"Again, a variety of such types of recommender systems are well-known in the art and can be incorporated within embodiments of the present invention. For example, a well-known system is the Cinematch program used by Netflix; other acceptable turn-key or custom solutions could be used."*

There is no disclosure in the instant specification as originally filed that discloses how this specific type of recommendation is performed. From reading the specification, it appears that the actual recommender system used is not critical to the invention and is not something that the inventor has thought to have invented. The specification does not teach to one skilled in the art how to go about and take into account the rental queue of the subscriber to determine if there is another items that is more desirable than what is already in the queue. There is no discussion as to how this feature is provided



Art Unit: 3629

or accomplished. The examiner notes that language such as "*As noted below, recommender systems are well-known in the art, and the present invention can thus be used with any number of suitable implementations*" is not a disclosure of any structure. The other statements referred to above also do not refer to any structure. This language is similar in nature to the language at issue in *Biomedino, LLC v. Waters Tech* that was recently decided by the Court of Appeals for the Federal Circuit in June of 2007. In this case it was held that language such as statements that "known techniques or methods can use used" does not disclose any structure" and in that case the 112,6<sup>th</sup> limitation was found to be indefinite for failure to disclose the corresponding structure that accomplished the recited function. In the present case all the examiner has to go on for the enablement of the claims is the language stating that well-known methods could be used. Applicant has argued that this feature defines over the prior art, but there is no disclosure in the specification as to how this is actually done. This feature is not enabled and it would take undue experimentation for a skilled person to figure out how this is to be done.

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 8,9, are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Art Unit: 3629

For claims 8,9, the examiner notes that in the first paragraph of section c) of the claim, only one of either # 1 or #2 is required. Then in the 2<sup>nd</sup> paragraph of section c) it is stated for #2 that "said one or more media titles should....to said another media title..". This is confusing because of the use of "or". If in the 2<sup>nd</sup> paragraph #2 is present, does that then require that #2 from the 1<sup>st</sup> paragraph of section c) must also be present? This is not clear. Paragraph 1 allows for either #1 or #2 to be in the scope of the claim, but #2 of the 2<sup>nd</sup> paragraph seems to require that #2 be present from the 1<sup>st</sup> paragraph. The way the examiner reads the claims #1 or #2 of the first paragraph is required and for the 2<sup>nd</sup> paragraph either #1 or #2 is required. This contradicts #2 of the 2<sup>nd</sup> paragraph that seems to require #2 of the 1<sup>st</sup> paragraph. The scope of this claim is not clear as far as what is required and what is not dependent on the different situations recited with respect to the "or" language.

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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33  
6. Claims 9,30-32,34, are rejected under 35 U.S.C. 103(a) as being unpatentable over Hastings et al. (6584450) in view of Elston (6055505).

For claims 30-32,34, Hastings discloses a method for renting items from a content provider where the customer sets up a rental queue by interacting with a website via the Internet. A set of queue replenishment rules is employed to determine if

Art Unit: 3629

the ordering of the titles in the queue should be changed. When a DVD is returned the system checks the queue rules (Max Out option and/or Max Turns) to determine if the ordering of the queue should be changed. When a new DVD is shipped, the ordering of the queue is changed because that title is taken out of the queue and is then in a checked out status. The subscriber chooses the ordering of the titles that are to be delivered. With respect to the addition of an additional playable media item to the subscriber rental queue, Hastings discloses that the subscriber can choose preferences/attributes about what movies they would like to see and the content provider will automatically select those movies for the subscriber (a item recommendation system). See column 8, lines 43-60. This is considered to be the claimed item recommendation system because this aspect of the system of Hastings recommends movies based on the preferences that the subscriber has provided (i.e. horror movies released in 1999 or any adventure movies with Harrison Ford as an actor). The movies determined by the recommendation system are added to the queue as claimed (part g). With respect to the limitation of "interacting with the subscriber using embedded URL's" so as to *allow* the subscriber to review playable media title recommendations from the recommender system, this is not taught. Also, not disclosed is a set of notification rules that will electronically notify the subscriber when the ordering of the queue has been changed based on the monitoring of the queue and based on whether or not the queue is at or below a threshold number. Elston discloses an automatic customer notification system that notifies customers of a business or other entity of the fact that an event has occurred that involves that business or entity. Elston

Art Unit: 3629

discloses that when an event of interest to the customer occurs, the system will notify the customer by phone, fax, or even email. See column 4, lines 1-5. Elston discloses in column 5, lines 3-12 that the system and method of customer notification can be used for accounts at financial institutions, for medical patients and test results, for college students and notification of the posting of grades. The invention is not limited to just the notification of financial events but can be used in other environments where notification of an event would be desirable. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide Hastings with a notification system as disclosed by Elston so that when there is activity happening in the rental queue of Hastings that is of interest to the customer, the customer can be notified of the activity. An example would be the sending out of a notification when a new DVD title is being shipped to the subscriber, or when a new movie is being added to the queue based on the item recommendation system determining a new movie that satisfies the predetermined subscriber preferences (column 8, lines 43-60). With respect to the language reciting that the notification is based on the quantity of items remaining in the queue, the examiner takes "official notice" that it is well known to notify customers of the fact that an account is getting low and that the account balance needs to be modified. An example would be a financial account where customers can be notified of a low account balance so that the customer can take steps to ensure that the balance is kept at a satisfactory level. Children going to elementary school use meal cards (pre-paid cards) to pay for meals. When the account balance is getting low the school sends out a notification to the parents to inform them that the meal card balance is getting low. It

Art Unit: 3629

would have been obvious to one of ordinary skill in the art at the time the invention was made to provide the customer with a notification when it is determined that their queue is empty and that a modification to the queue should occur if they want to receive more DVD items. The fact there are no movies in a subscriber's queue is something that the subscriber would like to know about (one of ordinary skill in the art would recognize this) so that they can modify the queue and receive another movie. With respect to the recitation that the electronic notification contains links (URLs) to allow the user to review the suggested item, it would have been obvious to one of ordinary skill in the art to include a hyperlink to the Netflix website itself so that the user can easily be linked to Netflix. Then the user is allowed to and can review the suggested movie if they want to look it up. This limitation reads on just providing the Netflix website link in the electronic notification, something that is obvious to one of ordinary skill in the art. One would naturally want to make it easy for the customer to connect to your website. Simply providing a link to the Netflix website in the electronic notification from Netflix is considered to involve nothing more than ordinary skill in the art and is considered obvious. Also, the use of hyperlinks is very well known in the computer and Internet art and is something that is known to one of ordinary skill. To provide a hyperlink that provides more information on the item that is being recommended is obvious as this is just providing more information by using a very well known technique in the art.

For claims 33, not disclosed is that the movies are by the Internet (broadband). Hastings discloses that the movies can be delivered to the customer in just about any manner and discloses in column 4, lines 22-34 that the delivery channel "may be

Art Unit: 3629

implemented by any mechanism that provides for the transfer of items” from the provider to the subscriber “and the invention is not limited to any particular type of delivery channel”. The examiner takes “official notice” that it is old and well known in the art to deliver movies by the Internet. Movies have been distributed via the Internet for years; one of ordinary skill in the art would be very informed of this fact. Based on the teachings of Hastings and the knowledge of one of ordinary skill in the art, it would have been obvious to one of ordinary skill in the art at the time the invention was made to use the system and method of Hastings for the delivery of movies by Internet broadband because this is just another delivery channel well known to one of ordinary skill in the art.

For claim 9, Hastings discloses a method for renting items from a content provider where the customer sets up a rental queue. A set of queue replenishment rules are employed to determine if the ordering of the titles in the queue should be changed or if an additionally playable media title should be added to the queue. When a DVD is returned (a trigger event) the system checks the queue rules (Max Out option and/or Max Turns) to determine if the ordering of the queue should be changed. When a new DVD is shipped, the ordering of the queue is changed because that title is taken out of the queue and is then in a checked out status. With respect to the addition of an additionally playable media item to the subscriber rental queue, Hastings discloses that the subscriber can choose preferences/attributes about what movies they would like to see and the content provider will automatically select those movies for the subscriber (a item recommendation system). See column 8, lines 43-60. This is considered to be the

Art Unit: 3629

claimed item recommendation system because this aspect of the system of Hastings recommends movies based on the preferences that the subscriber has provided (i.e. horror movies released in 1999 or any adventure movies with Harrison Ford as an actor). The movies determined by the recommendation system are added to the queue as claimed. Not disclosed is a set of notification rules that, based on the monitoring of the queue, will electronically notify the subscriber when the ordering of the queue has been changed or when an additionally playable media item is being added to the queue. Elston discloses an automatic customer notification system that notifies customers of a business or other entity of the fact that an event has occurred that involves that business or entity. Elston discloses that when an event of interest to the customer occurs, the system will notify the customer by phone, fax, or even email. See column 4, lines 1-5. Elston discloses in column 5, lines 3-12 that the system and method of customer notification can be used for accounts at financial institutions, for medical patients and test results, for college students and notification of the posting of grades. The invention is not limited to just the notification of financial events but can be used in other environments where notification of an event would be desirable. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide Hastings with a notification system as disclosed by Elston so that when there is activity happening in the rental queue of Hastings that is of interest to the customer (renumbering of the ordering or the addition of a new movie from the recommender system), the customer can be notified of the activity. Examples would be the sending out of a notification when a new DVD title is being shipped to the subscriber (queue re-

Art Unit: 3629

ordering) or when a new movie is being added (i.e. a new adventure movie with Harrison Ford was just released).

For claim 9, in addition to that immediately above, the prior art does not disclose that the newly added recommended playable media is designated as the next one to be delivered to the customer, even if other movies are available to be shipped. Hastings discloses that one of the preferences that the subscriber can set is the order in which movies are to be received, see column 8, lines 43-65. This includes the situation where the subscriber decides that any movies recommended to them by the system of Hastings should be the next to be sent out. Because Hastings allows subscribers to have movies recommended by a recommender system and because Hastings allows a subscriber to set forth the priority for the ordering of the movies to be sent, it would have been obvious to one of ordinary skill in the art at the time the invention was made to provide Hastings with the ability to designate any recommended movies as the next to be delivered to the subscriber even if there are other movies that could be shipped out. The examiner does not feel the most recent amendment regarding this limitation changes anything with respect to the prior art.

7. Claims 8 is rejected under 35 U.S.C. 103(a) as being unpatentable over Hastings et al. (6584450) in view of Elston (6055505) and further in view of Jacobi et al. (6317722).

Hastings discloses a method for renting items from a content provider where the customer sets up a rental queue. A set of queue replenishment rules are employed to



Art Unit: 3629

determine if the ordering of the titles in the queue should be changed or if an additionally playable media title should be added to the queue. When a DVD is returned (a trigger event) the system checks the queue rules (Max Out option and/or Max Turns) to determine if the ordering of the queue should be changed. When a new DVD is shipped, the ordering of the queue is changed because that title is taken out of the queue and is then in a checked out status. With respect to the addition of an additionally playable media item to the subscriber rental queue, Hastings discloses that the subscriber can choose preferences/attributes about what movies they would like to see and the content provider will automatically select those movies for the subscriber (a item recommendation system). See column 8, lines 43-60. This is considered to be an item recommendation system because this aspect of the system of Hastings recommends movies based on the preferences that the subscriber has provided (i.e. horror movies released in 1999 or any adventure movies with Harrison Ford as an actor). The movies determined by the recommendation system are added to the queue as claimed.

Not disclosed is a set of notification rules that, based on the monitoring of the queue, will electronically notify the subscriber when the ordering of the queue has been changed or when an additionally playable media item is being added to the queue. Also not disclosed is that the recommendation system provides recommendations based at least in part on a composition of a rental queue and that the recommendation is found to be more desirable than the contents of the queue.

Art Unit: 3629

Elston discloses an automatic customer notification system that notifies customers of a business or other entity of the fact that an event has occurred that involves that business or entity. Elston discloses that when an event of interest to the customer occurs, the system will notify the customer by phone, fax, or even email. See column 4, lines 1-5. Elston discloses in column 5, lines 3-12 that the system and method of customer notification can be used for accounts at financial institutions, for medical patients and test results, for college students and notification of the posting of grades. The invention is not limited to just the notification of financial events but can be used in other environments where notification of an event would be desirable. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide Hastings with a notification system as disclosed by Elston so that when there is activity happening in the rental queue of Hastings that is of interest to the customer (renumbering of the ordering in the queue or the addition of a new movie from the recommender system), the customer can be notified of the activity. Examples would be the sending out of a notification when a new DVD title is being shipped to the subscriber (queue re-ordering) or when a new movie is being added (i.e. a new adventure movie with Harrison Ford was just released).

With respect to the recommendations being based in part on a composition of the rental queue, Jacobi discloses the use of an item recommendation system that recommends items to users based on the content of a users shopping cart. See the Abstract as an example. Jacobi looks at what items the customer has added to their shopping cart list and recommends items based on those items in the shopping cart list.

Art Unit: 3629

This is a teaching that recommendations can be based on the items that the customer has chosen and placed on a list. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the recommendation system of Hastings to in part base the recommendations on the content of the rental queue, which is a list of items chosen by the user, as is disclosed by Jacobi. Clearly, the items that the user themselves chooses are indicative of the interest that the user has. In view of Jacobi that teaches using the items in a shopping cart list to generate recommendations, one of ordinary skill in the art would have found it obvious to use the content of the rental queue to generate recommendations. The rental queue is indicative of the interests of the users, so it would have been obvious to base the recommendations on the content of the queue as claimed. With respect to the recommendation being more desirable than the items in the queue, this is just making a recommendation for an item that is better than what the subscriber currently has. One of ordinary skill in the art would have found it obvious to find items that are more desirable than what is in the queue already because those kinds of items would be of greatest interest to the subscriber. Using the content of the queue to determine recommendations is known in the art and simply providing a recommendation that is thought to be more desirable than what you already have is considered to be obvious. If there is a new action movie that was just released that is thought to be better than another action movie you have in your queue because this new movie includes our favorite actor, it would have been obvious to make this fact aware to the subscriber. One of ordinary skill in the art would be motivated to not only inform the subscriber of

Art Unit: 3629

items of equal interest to what they already have but would be motivated to inform the subscriber of items of greater interest than what they currently have.

***Allowable Subject Matter***

8. Claims 2-7,10-18,21-24,25,27,29, are allowed.

9. Applicant's arguments filed 8/9/07 have been fully considered but they are not persuasive.

The argument for claim 8 that states that the claim has been amended and "The ordering of the media titles is this also distinguishable over such reference" is not clear. What kind of argument is this? In what manner and why does this reference define over the prior art. 37 CFR 1.2 requires the prosecution to be conducted in writing. While certain arguments were discussed in the personal interview on the telephone, the specific arguments must be made of record in writing. This kind of argument is not persuasive. The examiner does not see how this amendment changes the claim at all. The scope seems to be the same because when a number 1 movie is shipped out, the number 2 movie is now number 1, which means it has changed positions relative to another title. It is not clear how this amendment is seen to overcome the prior art. The argument about Jacobi is noted as well as the fact that there is no disclosure as to how applicant determines of an item is more desirable than what they already have. The examiner does not feel that applicant has invented a new recommendation system but this is what is being argued for patentability. The examiner also notes that the

Art Unit: 3629

specification has language such as *"As noted below, recommender systems are well-known in the art, and the present invention can thus be used with any number of suitable implementations"* which is not an indication to the examiner that this is what applicant has allegedly invented. To this extent the examiner has addressed this limitation and feels that it is obvious, especially in view of KSR v. Teleflex. The prior art determines recommendations based on items you already have on a list of some kind. To make recommendation that are predicted to be more desirable than what you already have is something that is obvious to one of ordinary skill in the art. This is just making a recommendation that is hopefully better than other recommendations. The argument that Elston uses notifications for a totally different context is noted but is not persuasive. The results one would expect to obtain are predictable and would follow the use of notifications for many different types of accounts. Applicant also neglects to address the fact that Elston discloses use of the invention for banking, medical patients and test results, college students and grade notifications. Elston is not limited to a banking use and teaches that the invention can be use in other arena. This is an argument that was addressed in KSR and is not persuasive. The argument about examining archived copies of a website is an attempt to introduce evidence by attorney comment. These arguments are based on evidence that is not of record. This must be introduced by declaration and not in the remarks portion of a response. The statement that this same (or substantially the same) procedure was in place at the time of the filing of the application is noted as not being supported by any evidence. The argument about what was standard procedure is noted but is taken as more of an assumption on

Art Unit: 3629

the part of applicant. The argument that there is no market force or design incentive is not persuasive. The providing of a notification is desirable as Elston discloses. The idea of informing your subscribers that their queue is empty is one of customer service and is desirable from the standpoint of the customer. This issue is not to be viewed just from the point of the business owner. From a customer standpoint, they would like to have this feature, and taking into account customer service, an empty queue notification is obvious. A customer with no movies in their queue would like to know that fact, just like an account holder would like to know that their account balance is low or is at zero (nothing left). The desirability of offering this feature comes from the standpoint of customer service, which KSR did not exclude from an obviousness analysis.

For claim 9, the argument that Hastings does not disclose a feature that the examiner has stated is obvious is not a persuasive argument. If Hastings disclosed this feature then there would not be an obviousness statement. The examiner has set forth a reasoned statement and explanation as to why this is considered to be obvious. Applicant must address this reasoning, which has not been done.

The amendment to claim 30 has been addressed in the rejection of record and not further comments are deemed as necessary. The threshold limitation has been addressed in the rejection of record and the examiner notes that applicant has not traversed the taking of "official notice" regarding this limitation. Applicant has not addressed the rejection of record and failure to timely traverse the taking of official notice means that he alleged fact is not a matter of fact for the record. This argument is not persuasive.

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 571-272-6808. The examiner can normally be reached on Monday through Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 571-272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3629

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DENNIS RUHL  
PRIMARY EXAMINER